

ASSEMBLY BILL

No. 2765

Introduced by Committee on Governmental Organization (Assembly Members Hall (Chair), Nestande (Vice Chair), Bigelow, Chesbro, Cooley, Dababneh, Gray, Jones, Levine, Medina, Perea, V. Manuel Pérez, and Wilk)

March 28, 2014

An act to amend Section 19605.73 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2765, as introduced, Committee on Governmental Organization. Horse racing: marketing organization.

Existing law, operative until January 1, 2015, authorizes thoroughbred racing associations, fairs, and the organization responsible for contracting with thoroughbred racing associations and fairs with respect to the conduct of racing meetings, to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing. If a marketing organization is formed, existing law requires an amount not to exceed 0.25% of the total amount handled by each satellite wagering facility to be distributed to the marketing organization, and imposes certain requirements on the marketing organization, including that the marketing organization annually submit certain information to the California Horse Racing Board. Violations of the Horse Racing Law are generally misdemeanors.

This bill would extend the operation of those provisions to January 1, 2017. By extending those provisions of the Horse Racing Law, a violation of which is a crime, the bill would create new crimes and would thereby impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19605.73 of the Business and Professions
2 Code is amended to read:

3 19605.73. (a) Thoroughbred racing associations, fairs, and the
4 organization responsible for contracting with thoroughbred racing
5 associations and fairs with respect to the conduct of racing
6 meetings, may form a private, statewide marketing organization
7 to market and promote thoroughbred and fair horse racing,
8 including, but not limited to, the establishment and maintenance
9 of an Internet Web site featuring California thoroughbred and fair
10 racing, the establishment and administration of players incentive
11 programs for those who wager on thoroughbred association and
12 fair races, and promotional activities at satellite wagering facilities
13 to increase their attendance and handle. While the promotional
14 activities at satellite wagering facilities shall be funded by the
15 marketing organization, they shall be implemented and coordinated
16 by representatives of the satellite wagering facilities and the
17 thoroughbred racing associations or fairs then conducting a live
18 race meet. The organization shall consist of the following members:
19 two members, one from the northern zone and one from the
20 combined central and southern zones, appointed by the
21 thoroughbred racetracks; two members, one from the northern
22 zone and one from the combined central and southern zones,
23 appointed by the owners' organization responsible for contracting
24 with associations and fairs with respect to the conduct of racing
25 meetings; and two members, one from the northern zone and one
26 from the combined central and southern zones, appointed by the
27 organization representing racing and satellite fairs.

28 (b) The marketing organization formed pursuant to subdivision
29 (a) shall, by November 1 of each year, submit a written report to
30 the board on a statewide marketing and promotion plan for the

1 upcoming calendar year. In addition, the organization shall annually
2 present to the board at the board's November meeting a verbal
3 report on the statewide marketing and promotion plan for the
4 upcoming calendar year. The plan shall be implemented as
5 determined by the organization. The organization shall receive
6 input from all interested industry participants and may utilize
7 outside consultants.

8 (c) In addition to the distributions specified in subdivisions (a)
9 and (b) of Section 19605.7, subdivisions (a) and (b) of Section
10 19605.71, and Section 19605.72, for thoroughbred and fair
11 meetings only, from the amount that would normally be available
12 for commissions and purses, an amount not to exceed 0.25 percent
13 of the total amount handled by each satellite wagering facility shall
14 be distributed to the marketing organization formed pursuant to
15 subdivision (a) for the purposes set forth therein. The amounts
16 initially distributed to the marketing organization formed pursuant
17 to subdivision (a) shall be 0.2 percent of the total amount handled
18 by satellite wagering facilities for thoroughbred and fair meetings
19 only. The amount distributable to the marketing organization may
20 be adjusted by the board, in its discretion. However, the adjusted
21 amounts may not exceed an aggregate of 0.25 percent of the total
22 amount handled by satellite wagering facilities for thoroughbred
23 and fair meetings only. Any of the promotion funds that are not
24 expended in the year in which they are collected may be expended
25 in the following year. If promotion funds expended in any one
26 year exceed the amount collected for that year, the funds expended
27 in the following year shall be reduced by the excess amount. The
28 marketing organization, on a quarterly basis, shall submit to the
29 board a written report that accounts for all receipts and expenditures
30 of the promotion funds for the previous three months.

31 (d) This section shall remain in effect only until January 1, ~~2015~~
32 2017, and as of that date is repealed, unless a later enacted statute,
33 that is enacted before January 1, ~~2015~~ 2017, deletes or extends
34 that date. Any moneys held by the organization shall, in the event
35 this section is repealed, be distributed to the organization formed
36 pursuant to Section 19608.2, for purposes of that section.

37 SEC. 2. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

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